

**FIRE PROTECTION DISTRICT NO. 12  
Of RAPIDES PARISH**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

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# ROZIER, HARRINGTON & MCKAY

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June 15, 2010

### INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors  
Fire Protection District No. 12  
Cheneyville, LA 71325

We have reviewed the accompanying basic financial statements of the governmental activities and the major fund of the Fire Protection District No. 12 of Rapides Parish as of and for the year ended December 31, 2009, as listed in the table of contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Fire District.

A review consists principally of inquiries of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order to conform with generally accepted accounting principles. The management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of

***Fire Protection District No. 12***

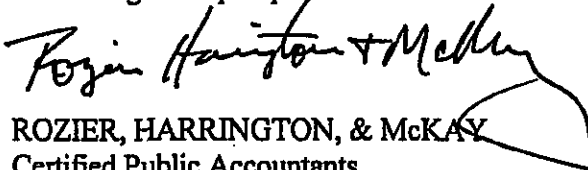
***June 15, 2010***

***Page 2***

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management regarding methods of measurement and presentation of the required supplemental information, without audit or review. Accordingly, we do not express any opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 15, 2010, on the results of our agreed-upon procedures.

  
ROZIER, HARRINGTON, & MCKAY  
Certified Public Accountants

# **Fire Protection District No. 12**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2009**

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This section of the annual financial report presents our discussion and analysis of the Fire District's financial performance during the fiscal year ended December 31, 2009.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

#### **Government-Wide Financial Statements**

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of the Fire District's liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by taxes, grants, and proceeds from debt.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Fire District only has one governmental fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF THE DISTRICT**

A comparative analysis of the government-wide data for the current and previous year is presented as follows:

#### **Net Assets**

A condensed version of the government-wide Statement of Net Assets is presented as follows:

	December 31,	
	2009	2008
<b><u>Assets:</u></b>		
Current and Other Assets	\$ 211,685	\$ 95,883
Capital Assets, net	490,717	370,644
<b>Total Assets</b>	<b>702,402</b>	<b>466,527</b>

## **Fire Protection District No. 12**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2009**

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<b><u>Liabilities:</u></b>		
Current and Other Liabilities	47,770	457
Long-term Debt Payable	77,000	—
Total Liabilities	124,770	457
<b><u>Net Assets:</u></b>		
Invested in Capital Assets, net	405,717	370,644
Unrestricted	171,915	95,426
Total Net Assets	\$ 577,632	\$ 466,070

As the presentation appearing above demonstrates, the largest portion of the Fire District's net assets (70%) is invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment, less any debt used to acquire the assets that remain outstanding. The Fire District uses these capital assets to provide fire protection and other services to local residents; consequently, these amounts are not available for future spending.

The remaining net assets (30%) are unrestricted and may be used to meet the Fire District's ongoing obligations.

#### **Changes in Net Assets**

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

	For the Year Ended December 31,	
	2009	2008
<b><u>Revenues:</u></b>		
Program Revenues:		
Insurance Rebate	\$ 5,548	\$ 5,439
Operating Grants and Contributions	55,459	20,209
Capital Grants and Contributions	71,000	—
General Revenue:		
Ad valorem Taxes	74,068	73,963
Other	1,706	8,019
Total Revenues	207,781	107,630
<b><u>Program Expenses:</u></b>		
Fire Protection	96,220	144,618
Total Program Expenses	96,220	144,618
Change in Net Assets	111,561	(36,988)
Net Assets Beginning	466,071	503,059
Net Assets Ending	\$ 577,632	\$ 466,071

## **Fire Protection District No. 12**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2009**

As the accompanying presentation demonstrates, the Fire District's net assets increased \$111,561. This increase is due to capital contributions and grant funding received during the current year to expand the Fire District's facilities and purchase equipment.

### **FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S FUND**

For the year ended December 31, 2009, fund balances increased from \$95,426 to \$171,915. This increase is due to proceeds received from the issuance of property tax bonds by the Fire District.

### **BUDGET HIGHLIGHTS**

State law requires the Fire District to have a budget. A summary of the general fund budget compared to actual amounts is presented as follows:

	Budget Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Total Revenues	\$ 77,600	\$ 269,281	\$ 191,681
Total Expenditures	77,040	192,792	(115,752)
Excess (deficiency) of revenues over expenditures	\$ 560	\$ 76,489	\$ 75,929

For the year ended December 31, 2009, the original budget was not amended. Expenditures for capital outlays caused variances exceeded parameters permitted by state law.

### **CAPITAL ASSET ADMINISTRATION**

For the year ended December 31, 2009, capital outlay activity consisted of expanding fire protection facilities and purchases of additional fire protection equipment. Expenditures are summarized as follows:

Expansion of Fire Station Building	\$ 79,906
Fire Protection Equipment	61,477
Radio Equipment	6,726
Total Capital Expenditures	<u>\$ 148,109</u>

In to the expenditures summarized above, the Rapides Parish Police Jury also contributed a generator valued at \$23,500.

### **DEBT ADMINISTRATION**

For the year ended December 31, 2009, debt activity was limited to the issuance of \$85,000 in property tax bonds.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

**Fire Protection District No. 12 of Rapides Parish**  
**Statement of Net Assets**  
**December 31, 2009**

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	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash	\$ 143,967
Receivables (net)	67,718
Capital Assets - Land	10,745
Capital Assets - Depreciable	<u>479,972</u>
<b>Total Assets</b>	<u>702,402</u>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	39,770
Long-term Debt Payable	
Due Within One Year	8,000
Due in More than One Year	<u>77,000</u>
<b>Total Liabilities</b>	<u>124,770</u>
 <b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	405,717
Unrestricted	<u>171,915</u>
<b>Total Net Assets (deficit)</b>	<u>\$ 577,632</u>

See accompanying notes and accountant's report



**Fire Protection District No. 12 of Rapides Parish**

**Statement of Activities**

**For the Year Ended December 31, 2009**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>Governmental Activities</u>					
Fire Protection	\$ 96,220	\$ 5,548	\$ 55,459	\$ 71,000	\$ 35,787
Total Governmental Activities	<u>96,220</u>	<u>5,548</u>	<u>55,459</u>	<u>71,000</u>	<u>35,787</u>
<u>General Revenues:</u>					
Property Taxes					74,068
Other					<u>1,706</u>
Total General Revenues					75,774
Change in Net Assets					111,561
Net Assets - Beginning					<u>466,071</u>
Net Assets - Ending					<u>\$ 577,632</u>

See accompanying notes and accountant's report

# **Fire Protection District No. 12 of Rapides Parish**

## **Balance Sheet - Governmental Funds**

**December 31, 2009**

	<b>General Fund</b>
<hr/>	
<b><u>Assets:</u></b>	
Cash	\$ 143,967
Receivables	67,718
	<hr/>
Total Assets	\$ 211,685
	<hr/>
<b><u>Liabilities and Fund Balances:</u></b>	
<b>Liabilities:</b>	
Accounts Payable	\$ 39,770
Total Liabilities	39,770
	<hr/>
<b><u>Fund Balance:</u></b>	
Unreserved Fund Balance	171,915
	<hr/>
Total Fund Balance	171,915
	<hr/>
Total Liabilities and Fund Balance	\$ 211,685
	<hr/>

### **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**

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Total Fund Balance - Governmental Fund	\$ 171,915
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Amounts reported for governmental activities in the statement of net assets are different because:

Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(85,000)
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Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.	490,717
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Net Assets of Governmental Activities	\$ 577,632
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See accompanying notes and accountants' report.

**Fire Protection District No. 12 of Rapides Parish**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Governmental Funds**  
**For the Year Ended December 31, 2009**

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	<b>General Fund</b>
<b><u>Revenues:</u></b>	
Ad valorem taxes	\$ 74,068
Grant revenue	55,459
Interest income	54
2% Insurance Rebate	5,548
Miscellaneous	<u>49,152</u>
Total revenues	<u>184,281</u>
<b><u>Expenditures:</u></b>	
Public Safety:	
Capital outlay	148,109
Supplies	2,476
Fuel	2,735
Insurance	14,327
Legal and accounting	4,217
Office expense	7,631
Repairs and maintenance	11,389
Utilities and telephone	<u>1,908</u>
Total expenditures	<u>192,792</u>
 Excess (deficiency) of revenues over expenditures	 (8,511)
<b><u>Other Financing Sources (Uses)</u></b>	
Bond Proceeds	<u>85,000</u>
 Net Change in Fund Balance	 76,489
 Fund balance - beginning of year	 <u>95,426</u>
 Fund balance - end of year	 <u>\$ 171,915</u>

See accompanying notes and accountants' report.

**Fire Protection District No. 12 of Rapides Parish**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2009**

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Net change in fund balances of Governmental Funds \$ 76,489

Amounts reported for governmental activities in the statement of activities are  
different because:

Proceeds from issuing bonds are reported as other sources by the  
governmental funds, but are reported as an increase in liabilities  
in the statement of activities (85,000)

Capital assets are excluded from governmental funds. Accordingly, the  
receipt of donated capital assets is excluded from revenue reported  
by governmental funds. 23,500

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over  
estimated useful lives and reported as depreciation expense.

This the amount by which capital outlays exceeded depreciation in  
the current period. 96,572

Change in net assets of governmental activities \$ 111,561

See accompanying notes and accountants' report.

# **Fire Protection District No. 12**

## ***Notes to Financial Statements*** ***December 31, 2009***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fire Protection District No. 12 of Rapides Parish (the Fire District) was created to provide fire protection for portions of Rapides Parish. The Fire District was organized by joint action of the Police Jury of Parish of Rapides, and the Town of Cheneyville.

The Fire District is governed by a board of directors consisting of five members, each of which is a resident property taxpayer of the Fire District. Two members are appointed by the Rapides Parish Police Jury, two members by the Town of Cheneyville, and one member is selected by the preceding four members. The Fire District is a component unit of the Rapides Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Fire District is a component unit of the Rapides Parish Police Jury. The accompanying component unit financial statements present information only on the fund

# **Fire Protection District No. 12**

## ***Notes to Financial Statements*** ***December 31, 2009***

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maintained by Fire Protection District No. 12 and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Fire District's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Fire District as a whole. The government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with governmental service. Program revenues include any charges for services and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Fire District's only major fund is the general fund. This fund is the primary operating fund of the Fire District and is used to account for all resources, except those required to be accounted for in other funds.

### **Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

# **Fire Protection District No. 12**

## ***Notes to Financial Statements December 31, 2009***

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Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 90 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Budget Practices**

*Budgets of the general fund are prepared on the modified accrual basis of accounting. Unexpended appropriations of this fund lapse at the end of each fiscal year. Budgets of the general fund and all changes and amendments to these budgets are approved by the Board of Directors as a whole.*

### **Capital Assets**

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

### **Cash and Cash Equivalents**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

### **NOTE 2-CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The

# **Fire Protection District No. 12**

## **Notes to Financial Statements** **December 31, 2009**

market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2009, the Fire District has \$143,967 in deposits (collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$144,102 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are held in the name of the fiscal agent, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

### **NOTE 3 - AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are collected by the Rapides Parish Sheriff's Office and remitted to the Fire District the month subsequent to collection.

Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. For the year ended December 31, 2009, 11.74 mills were assessed.

### **NOTE 4 - RECEIVABLES**

At December 31, 2009, receivables were limited to ad valorem taxes and related revenue sharing collected by other governmental units on behalf of the Fire District. These amounts are considered fully collectible and there is no allowance for doubtful accounts.

### **NOTE 5 - CAPITAL ASSETS**

A summary of the Fire District's capital assets is provided as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b><u>Non Depreciable Capital Assets</u></b>				
Land	\$ 10,745	\$ —	\$ —	\$ 10,745
<b><u>Depreciable Capital Assets</u></b>				
Trucks	359,661	—	—	359,661
Building	81,714	79,906	—	161,620
Equipment	139,470	91,703	—	231,173
Furniture & Fixtures	4,963	—	—	4,963
Accumulated Depreciation	(225,909)	(51,536)	—	(277,445)
	<u>359,899</u>	<u>120,073</u>	<u>—</u>	<u>479,972</u>
Total Capital Assets	<u>\$ 370,644</u>	<u>\$ 120,073</u>	<u>\$ —</u>	<u>\$ 490,717</u>



# **Fire Protection District No. 12**

## ***Notes to Financial Statements***

***December 31, 2009***

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### **NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable at December 31, 2009 consist of trade payables incurred in connection with the operation of the fire department.

### **NOTE 7 – LONG-TERM DEBT**

Long-term debt outstanding at year end is limited to the issuance of \$85,000 in bonds. Long-term debt activity for the year ended December 31, 2009, is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bonds Payable	\$ ----	\$ 85,000	\$ ----	\$ 85,000

Details related to the debt agreement are presented as follows:

Limited Tax Bonds, Series 2009 in the original balance of \$85,000, bearing interest at a rate of 6.0%. The bonds mature annually with the initial payment due March 1, 2010 and the final payment due March 1, 2018. The bonds are secured by a property tax that was approved by the citizens of the District, as described in Note 3. \$ 85,000

Portion Due Within One Year 8,000

Due in More than One Year \$ 77,000

A schedule of maturities for these bonds is presented as follows:

	<u>Principal</u>	<u>Interest</u>
2010	\$ 8,000	\$ 3,344
2011	8,000	4,380
2012	9,000	3,870
2013	9,000	3,330
2014	9,000	2,790
2015 – 2018	<u>42,000</u>	<u>5,160</u>
Total	<u>\$ 85,000</u>	<u>\$ 22,874</u>

## **Fire Protection District No. 12**

### ***Notes to Financial Statements*** ***December 31, 2009***

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#### **NOTE 8 - RISK MANAGEMENT**

The Fire District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; and natural disasters.

The Fire District insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**Fire Protection District No. 12 of Rapides Parish****Statement of Revenues, Expenditures, and Changes in****Fund Balance - General Fund Budget and Actual****For the Year Ended December 31, 2009**

	Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Ad valorem taxes	\$ 66,300	\$ 74,068	\$ 7,768
Interest income	-	54	54
2% Insurance Rebate	5,300	5,548	248
Grant Revenue	-	55,459	55,459
Miscellaneous	6,000	49,152	43,152
Total revenues	<u>77,600</u>	<u>184,281</u>	<u>106,681</u>
<b><u>Expenditures:</u></b>			
Public Safety:			
Capital outlay	32,440	148,109	(115,669)
Supplies	7,000	2,476	4,524
Fuel	6,500	2,735	3,765
Insurance	13,000	14,327	(1,327)
Legal and accounting	4,200	4,217	(17)
Office expense	5,900	7,631	(1,731)
Repairs and maintenance	6,000	11,389	(5,389)
Utilities and telephone	2,000	1,908	92
Total expenditures	<u>77,040</u>	<u>192,792</u>	<u>(115,752)</u>
Excess (deficiency) of revenues over expenditures	560	(8,511)	(9,071)
<b><u>Other Financing Sources (Uses)</u></b>			
Bond Proceeds	-	85,000	85,000
Net Change in Fund Balance	560	76,489	75,929
Fund balance - beginning of year	<u>95,426</u>	<u>95,426</u>	-
Fund balance - end of year	<u>\$ 95,986</u>	<u>\$ 171,915</u>	<u>\$ 75,929</u>

*See accompanying notes and accountant's report*

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

June 15, 2010

### INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Fire Protection District No. 12  
Of Rapides Parish

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 12 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire District's compliance with certain laws and regulations during the year ended December 31, 2009, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

*Our review of the general ledger found two transactions that met the scope of the public bid law. Based on inquiries of management and review of board minutes, all expenditures were properly advertised for bids and the lowest bid was awarded.*

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

*Management provided us with the required list including the noted information.*

## **Fire Protection District No. 12**

**June 15, 2010**

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3. Obtain from management a listing of all employees paid during the period under examination.

*The Fire District has no employees for this review period.*

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*The Fire District has no employees for this review period; therefore, procedure is not considered necessary.*

### **BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

*Management provided us with a copy of the original budget. There were no amendments made to the budget during the year in review.*

6. Trace the budget adoption and amendments to the minute book.

*We traced the adoption of the original budget by the Board of Fire Protection District No. 12 to minutes of the December 8, 2008 meeting.*

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

#### **Finding 2009-1**

*We compared the revenues and expenditures presented in the budget provided by management to actual revenues and expenditures. Variances for revenues were favorable; however, actual expenditures exceeded budget amounts by more than 5%.*

### **ACCOUNTING AND REPORTING**

8. Randomly select six disbursements made during the period under examination and:

**(a)** trace payments to supporting documentation as to proper amount and payee.

*We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.*

**(b)** determine if payments were properly coded to the correct fund and general ledger account.

*All of the payments were properly coded to the correct fund and general ledger account.*

## **Fire Protection District No. 12**

**June 15, 2010**

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(c) determine whether payments received approval from proper authorities.

*Inspection of monthly meeting minutes indicated that all invoices are approved for payment. No further approval was required.*

### **MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

*The Fire District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.*

### **DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*We inspected the bank deposit slips for the period under examination and noted that debt proceeds were limited to \$85,000 in bond proceeds received from a bond issue approval by the State Bond Commission on May 15, 2008.*

### **ADVANCES AND BONUSES**


11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

#### **Finding 2009-2**

*The Fire District has no employees for this review period. However, support for one of the six selected disbursements mentioned above was found to be for the reimbursement of gift cards purchased for Rapides Parish Fireman Appreciation Day.*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Fire Protection District No. 12 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**Fire Protection District No. #12 of Rapides Parish**  
**Managements Corrective Action Plan**  
**For the Year Ended December 31, 2009**

<b>SECTION I - Review Report</b>	
<p><b><u>Finding 2009-1:</u></b>  We compared the revenues and expenditures of the budget to actual revenues and expenditures. Variances for revenue were favorable; however, actual expenditures exceeded budget by more than 5%.</p> <p><b><u>Finding 2009-2:</u></b>  We examined six randomly selected disbursements for supporting documentation and proper coding. One transaction in the selection was found to be for the purchase of gift cards for Rapides Parish Fireman Appreciation Day.</p>	<p><b><u>Response 2009-1:</u></b>  In the future, we expect to amend the budgets as necessary in order to avoid unfavorable variances.</p> <p><b><u>Response 2009-2:</u></b>  In the future, we will request that gifts for such event be donated community members.</p>
<b>SECTION II - Attestation Report</b>	
No findings were reported.	Response – N/A
<b>SECTION III - Management Letter</b>	
No management letter was issued with this report.	Response – N/A

**Fire Protection District #12 of Rapides Parish**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended December 31, 2008**

<b>SECTION I - Accountants' Report</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION II - Attestation Report</b>	
No findings were reported.	Response – N/A
<b>SECTION III - Management Letter</b>	
<b><u>Finding 2008-1:</u></b> We compared the revenues and expenditures of the budget to actual revenues and expenditures. Variances for revenue were favorable; however, actual expenditures exceeded budget by more than 5%.	<b><u>Unresolved:</u></b> See 2009-1



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

May 12, 2010

Rozier, Harrington & McKay, CPAs  
P.O. Box 12197  
Alexandria, LA 71315

In connection with your review of our financial statements as of December 31, 2009 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana *Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 5/17/10 (Date).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:38.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [ ☒ ] No [ ☐ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.50-1410.65.

Yes [ ☒ ] No [ ☐ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-732.

Yes [ ☒ ] No [ ☐ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions in the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>John Ed Ray</u>	Secretary	<u>5/17/10</u>	Date
<u>John Ed Ray</u>	Treasurer	<u>5/17/10</u>	Date
<u>Steve Halbert</u>	President	<u>5/17/10</u>	Date